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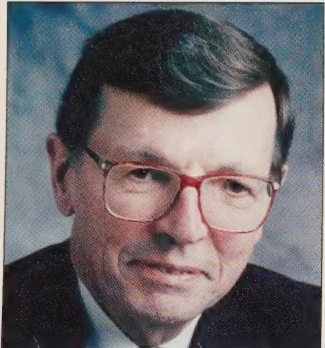
A Sustainable Partnership

The end of the Cold War changed the traditional relationship between Canada and Europe. International relations and trade policy, once guided by ideology are now driven by a complex web of interests that are much more difficult to define.



André Ouellet

André Ouellet
Minister of Foreign Affairs



Roy MacLaren
Roy MacLaren
Minister for International Trade

On both sides of the Atlantic, Europeans and Canadians are re-examining their respective international foreign and trade policies while retaining the strong attachment our peoples have for each other.

Canadians and Europeans benefit from the strong Europe-Canada relationship. Europe is our second source of foreign direct investment and our second-largest trading partner. For Europe, Canada is an important market with which the European Union enjoys a favourable trade balance and a gateway to North America. Canada's forecasted growth for 1994 and 1995 is the highest in the OECD. Each year, hundreds of thousands of Europeans and Canadians tour each other's continents to do business, to enjoy familial links and to explore natural and historical wonders.

A strong and dynamic partnership makes it easier for Europeans and Canadians to solve problems. This publica-

tion gives a Canadian perspective on some issues that have generated debate in Canada and in Europe.

Browse through *A SUSTAINABLE PARTNERSHIP*. Learn where Canada stands on the environment, forestry, fisheries and fur.

Discover one of the EU's most extensive relationships with a non-European country. We are partners in many areas, including peacekeeping, science and technology, industry, higher education and culture.

Canada remains committed to Europe. We are determined to build on the existing foundation, recognizing that new circumstances will create new growth in the relationship. 🍁 ⭐

An Invitation from Ministers Ouellet and MacLaren

CANADA-EUROPE

PARLIAMENTARY ASSOCIATION

A PEOPLE-TO-PEOPLE NETWORK

Since 1975, members of the Canadian and European parliaments have met on a regular basis. In 1980, the Canada-Europe Parliamentary Association was founded, and is the second-oldest parliamentary association in Europe. Its aim is to provide a structured forum for the exchange of information and ideas between Canadian parliamentarians and their counterparts in the European Parliament, the Parliamentary Assembly of

the Council of Europe, the Western European Union Assembly and the individual parliaments of Western Europe.

The Canada-Europe Parliamentary Association last met in Canada in February 1994 and visited Ottawa and British Columbia. The Chairman of the Canadian side of the Association is the Honourable Charles Caccia, Member of Parliament. 🍁 ⭐



CANADIAN PARLIAMENT BUILDINGS IN OTTAWA.



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A Shared History, A Shared Future

Canada and the European Union

Canada was founded by two great European cultures, and over the years it has welcomed millions of European emigrants seeking a new and different life. While Canada's strong relations with Europe are rooted in the past, they also promise mutual benefits for the future: "Our security depends on our ability to build prosperous societies together, with borders open to ideas and goods, and firmly based on the rule of law," Foreign Affairs Minister André Ouellet stated in April 1994 at the inauguration of the Jean Monnet Chair in European Integration at the University of Montreal.



PRIME MINISTER CHRÉTIEN AND PRESIDENT DELORS

Prime Minister Chrétien, President Delors, and Chancellor Kohl met recently in Bonn under the Transatlantic Declaration. They discussed the importance of increased consultation and co-operation in certain international political issues. It was agreed that where there are common objectives, and where mutual interests can be determined, European Union and Canadian officials should work more closely together. Steps have been taken, particularly through increased communication between our officials, to achieve this goal.

A TRANSATLANTIC MARKETPLACE

With two-way trade in 1993 totalling \$25.4 billion, the European Union is Canada's second most important trading partner. International Trade Minister Roy

MacLaren described the European marketplace as increasingly crucial in a speech to the European Union Chamber of Commerce in July: "Canada recognizes and values Europe as a key market for high value-added goods and services, as well as our traditional staples of resources-based products."

The EU is Canada's second largest source of foreign investment (EU investment more than doubled between 1985 and 1992), and it is an important source of portfolio investment capital for Canadian companies. Canada and the EU have been well served by the Framework Agreement for Commercial and Economic Co-operation. Signed in 1976, it facilitates trade and investment and encourages co-operation between industry as well as in research and development.

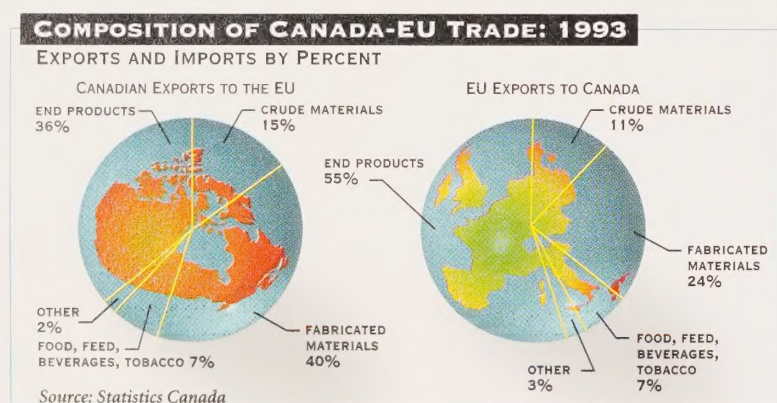
PARTNERS IN SECURITY

Canada was a founding member of the North Atlantic Treaty Organization (NATO) and for decades Canadian troops contributed to NATO's vigilance in Germany. The changing political climate has led to a withdrawal of those troops, but some 2 000 Canadian peacekeepers are now serving with distinction in efforts to bring stability to Bosnia-Herzegovina and Croatia. Canada is providing one of its new patrol frigates to the combined NATO-Western European Union operation to enforce the arms embargo against the former Yugoslav republics and economic sanctions against the Federal Republic of Yugoslavia.

Canada was also among the original parties to the Helsinki Final Act in 1975, and today continues to participate fully in the Conference on Security and Co-operation in Europe. With the rapprochement between former Cold War adversaries, Canada is an active participant in NATO's North Atlantic Co-operation Council and the new Partnership for Peace Program. More recently, Canada attended the Conference on the European Stability Pact, held in Paris.

PEOPLE-TO-PEOPLE NETWORKS

The Atlantic Ocean has not been a barrier to exchanges of tourists, academics, cultural groups and parliamentarians. Moreover, the passage of time has not eroded the bonds of friendship, family and goodwill between Canada and Europe. Relations are growing stronger as the network of institutional and people-to-people links continues to flourish. 🍁🌟



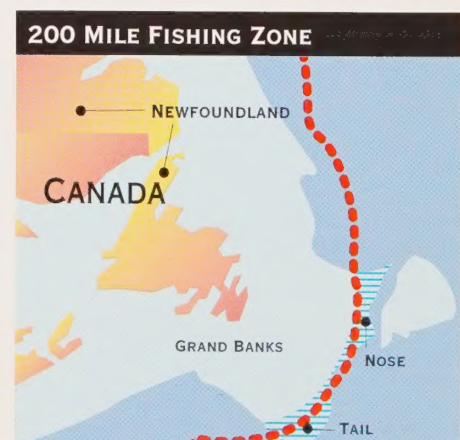
The Fisheries Crisis in the Northwest Atlantic

Since the beginning of European settlement in Canada, commercial fishing has provided the economic base for most Atlantic coastal communities. Cod and other groundfish stocks were once abundant, but in the mid-1960s they began to decline sharply due to excessive fishing by foreign and domestic fleets.

In 1977, in accordance with developments at the United Nations Law of the Sea Conference, Canada declared a 200-mile exclusive fishing zone and imposed strict controls on fishing inside this zone. However, the 200-mile zone does not encompass the entire Grand Banks, which extend off the southeast coast of Newfoundland. Important stocks

of cod, flounder and redfish straddle this limit and have been fished commercially in waters outside Canada's control.

In 1979, the conservation of northwest Atlantic fish stocks outside Canada's 200-mile limit became the responsibility of the Northwest Atlantic Fisheries Organization (NAFO). Including Canada, NAFO currently has 15 contracting parties. On the advice of scientists from all NAFO countries, NAFO sets total allowable catch limits and other conservation measures for the stocks it manages, and allocates quotas to NAFO contracting parties.





The groundfish stocks managed by NAFO have declined drastically in recent years. For example, the NAFO Scientific Council has reported that southern Grand Banks cod is at the lowest level recorded. Stocks entirely inside Canada's 200-mile limit have also suffered severe declines. In July 1992, the Canadian government declared a two-year moratorium on northern cod, Atlantic Canada's most important commercial fish stock.

On December 20, 1993, with the announcement of Canada's Atlantic Groundfish Management Plan for 1994, all the major cod fisheries inside the Canadian zone were closed and quotas for most other groundfish species were sharply restricted.

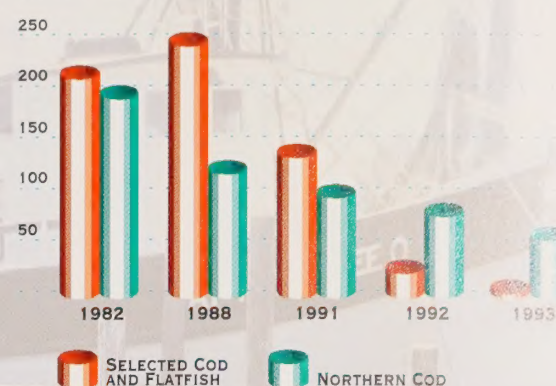
Despite the conservation decisions taken by NAFO in recent years, stocks on the Nose and Tail still face serious threats. Flag-of-convenience as well as stateless vessels fish without regard for international conserva-

tion controls. Catches are mainly of immature, under-sized fish that are the base for any future re-building of the once valuable stocks.

As an interim measure to preserve stocks facing commercial extinction, the Canadian parliament unanimously approved legislation in May 1994 that permits the arrest of stateless and flag-of-convenience vessels. Canada meanwhile continues to strongly support a long-term multilateral solution to the problem. On May 20, Canada became the first state to deposit its acceptance of the Food and Agricultural Organization Compliance Agreement to strengthen flag-state regulation of fishing vessels on the high seas. As a leading participant in the United Nations High Seas Fisheries Conference, Canada is now pressing for the adoption of a convention that provides for effective conservation and management, adequate surveillance and control, and a compulsory binding dispute-settlement mechanism. 🍁🌟

COLLAPSE OF NEWFOUNDLAND "GROUNDFISH BASE:" DECLINE IN CATCH FROM MAJOR STOCKS

CANADIAN CATCH ('000T)



Source: Atlantic Fisheries Quota and Allocation Reports, Department of Fisheries and Oceans

CANADA'S FORESTS *Toward Sustainable Development*

The vastness of Canada's forests can be mind-boggling. Within the country there are 416 million hectares of forest, a land mass equal in size to Europe. Approximately 119 million hectares are managed for timber production, while a further 156 million are "open" forests that will likely be left in their natural state. An estimated 50 million hectares (12 percent) of Canada's forest lands have been protected from harvesting by policy and legislation, and 100 million hectares remain unallocated.

The provincial governments manage 71 per cent of Canada's forests, while the federal and territorial governments oversee 23 percent. Only 6 percent of Canada's forests are on private property belonging to more than 425 000 private landowners. The federal government's role is to foster research and development in the forest sector and to advance Canada's position in terms of global trade and environmental stewardship.

As a responsible steward, Canada is committed to safeguarding the diversity of its forests and to promoting

Canadian forest products around the world. Canadians appreciate the complexity of sustainable development and the need to adopt an approach to forest management that addresses our long-term economic and social needs.

THE CHALLENGE OF MODERN FORESTRY

Canada has embarked on a new era in forest management, one that challenges forest researchers and managers to better understand the dynamics of this intricate ecological mosaic. Clayoquot Sound has been a focal point for media coverage related to Canadian forest practices. Debate over the future of Clayoquot Sound has now entered the international arena. In April 1993, the Province of British Columbia announced the protection of an additional 48 500 hectares in Clayoquot Sound, bringing the total protected area to one-third of the entire Sound. A further 18 per-

cent was placed in special management areas that allow some logging but protect scenic landscapes and recreational values.

Under restrictive conditions, harvesting will be allowed in the remaining 45 percent of Clayoquot Sound. No large-scale clearcuts will be allowed; more alternative logging methods, such as selective and helicopter logging, will be used; and cuts will not be visible from

popular recreation areas. Although public opinion polls in British Columbia showed support for the decision, the announcement was criticized by environmental groups who want protection of the entire area. In early 1994, a visit to Clayoquot Sound by the European Parliament's Delegation for Relations with Canada allowed parliamentarians to better focus on the various issues. The Delegation concluded that the way to address such an emotional issue would be a co-operative effort among various countries to establish criteria and indicators.

PUBLIC PARTICIPATION WELCOMED

Because of the geographic and cultural diversity of Canada, a concentrated effort is being made to hear the views of all Canadians with regard to their forests. In 1992, Canada embarked on the new National Forest Strategy developed by a broad cross-section of Canadians. The Strategy, *Sustainable Forests: A Canadian Commitment*, is an action plan to make the goal of sustainable forests a reality.

Through public participation, the dialogue among partners is expanding. Economic opportunities are being fostered through diversification and a host of forest values are being accommodated; every day, Canadians are turning the idea of sustainable forests into a reality. In a spirit of co-operation, the combined efforts of government, industry, labour, professional foresters, First Nations, environmentalists, private woodlot owners, educators and others are moving the National Forest Strategy closer to realization.

CANADIAN FOREST FACTS:

Canada has 10 percent of the world's forests. 🍁 Almost 95 percent of Canada's forests are publicly owned. 🍁 In 1993, 1 in 16 Canadians worked in a forest industry. 🍁 Canada is the world's largest exporter of wood products. However, only about 27 percent of the total forest land base is currently managed for timber production. In 1992, Canadian forest product exports were valued at more than \$23 billion and contributed \$19 billion to Canada's balance of trade. 🍁 The area of Canadian forest depleted by natural causes, such as fire, insects and disease, exceeds the annual harvest. 🍁🌟



THIS IS CANADA TODAY... A NATION WITH VAST AREAS OF FORESTS THAT REMAIN IN A WILD STATE... A NATION HAS SET ASIDE SPECIAL AREAS OF HERITAGE FORESTS... A NATION WHOSE COMMERCIAL FORESTS PROVIDE 20 PERCENT OF THE WORLD'S TRADE IN WOOD PRODUCTS.



AN INTERNATIONAL PLAYER

Canada is reinforcing its role as steward of 10 per cent of the world's forests. At the 1992 Earth Summit in Rio de Janeiro, Canada endorsed the Statement of Principles on the Management, Conservation and Sustainable Development of Forests, the first international consensus on forests. Since Rio, Canada, in concert with other governments, has been trying to advance the debate by translating concepts and ideas into specific criteria and indicators that can be practically applied and assessed.

In 1993, under the auspices of the Conference on Security and Cooperation in Europe (CSCE), Canada hosted a seminar in Montreal to develop scientifically based criteria and indicators for the sustainable management of temperate and boreal forests.

Work is currently underway to develop and refine a comprehensive set of criteria and indicators that will help track Canada's progress in addressing all forest values and in managing its forests for the benefit of current and future generations. The development of criteria to define sustainable forestry in precise technical terms and the development of quantifiable indicators to measure performance are fundamental to any international convention on forestry.

The forthcoming review of forests in 1995 by the United Nations Commission on Sustainable Development (UNCSD), has prompted a number of preparatory initiatives. Among these is the Intergovernmental Working Group on Global Forests (IWGGF), sponsored jointly by Canada and Malaysia. In April 1994, Malaysia

hosted the first meeting of the IWGGF. October 1994 saw Canada host the second meeting in Hull, Quebec. At this meeting, over 30 countries, including many from Europe, as well as five intergovernmental organizations and eight non-governmental organizations, discussed recommendations for consideration by the UNCSD in 1995.

The establishment of a network of model forests in Canada has led to the birth of the international Model Forests Program. Under the Canadian Model Forests Program, in 10 sites across the country, Canada is taking innovative approaches to forest management. These range from locating and protecting ancient Aboriginal burial grounds, to carrying out high-tech computer analyses. The sites are being managed by partnerships that involve industry, environmental and conservation groups, Aboriginal communities, education groups, private landowners, outdoor recreation clubs, and all levels of government. On the international front, Mexico has two operational model forests while Russia is about to establish a site in the far east. Malaysia, a leader among developing nations in the Model Forests Program, is in the process of choosing two sites.

Canada values the key role its forests play in the global environment and looks forward to sharing its goals and experiences with others. 🍁🌟



HARVESTING IN CANADA IS CONTROLLED AND REGULATED TO PROTECT WATERSHEDS AND WILDLIFE, AND TO ENSURE PROMPT REFORESTATION.

The Fur Industry and Humane Trapping in Canada

Canada has a strong interest in animal welfare. Its concern for the humane treatment of animals guides the practices of our highly regulated trapping industry. 🍁🌟

AN ECONOMIC ASSET

The Canadian wild fur trade, which is 90 per cent export-oriented and for which Europe is the principal market, provides income for some 100 000 individuals, many of whom are Aboriginal peoples. Trapping enables Aboriginal peoples to retain traditional skills and values and is a significant contribution to the Aboriginal economy. For many Northern communities, trapping is the only source of income.

SUSTAINABLE RESOURCE MANAGEMENT

Wildlife management policies and practices in Canada are based on the principles of conservation and sustainable use. After 350 years of commercial fur trading, none of the 20 major fur-bearing animal species trapped in Canada is endangered or threatened with extinction. The

regulatory and administrative regimes in place to manage furbearers in Canada are the responsibility of the provincial, territorial and local Aboriginal governments. Among these jurisdictions there is a high degree of regulatory and administrative conformity. Trapline management practices such as harvest quotas, harvest seasons and the regulation of trapping systems, are common features to all these jurisdictions.

TRAP RESEARCH AND TRAINING

The Canadian government and fur industry have always recognized that the fur trade is not sustainable without humane and effective methods of trapping. Over time, many trapping techniques that are

less selective, unsafe or less humane have been replaced by advanced trapping technologies. These systems are developed based on laboratory and field research. Trapping is a profession as well as a way of life for the majority of participants. To qualify for a trapper's licence in all Canadian jurisdictions, a trapper education course is mandatory. Through training opportunities, experienced trappers continue to upgrade their professional skills and their knowledge of more humane trapping systems.

DEVELOPING INTERNATIONAL STANDARDS FOR HUMANE TRAPPING

Canada leads international efforts to create humane trapping standards. Between 1983 and 1997 the Government of Canada, in conjunction with the International Fur Trade Federation, will spend \$9.3 million on the research and development of more humane trapping systems. It was on Canada's initiative that in 1986 the International Organization for Standardization, started developing an international standard for humane trapping systems. Canada continues to support this work as the best means of achieving international consensus on the most effective and most humane management of a sustainable resource. 🍁🌟



Sustainable Development and Canadian Technology

Canadian technology is at work today helping Europeans maintain and restore their environment.

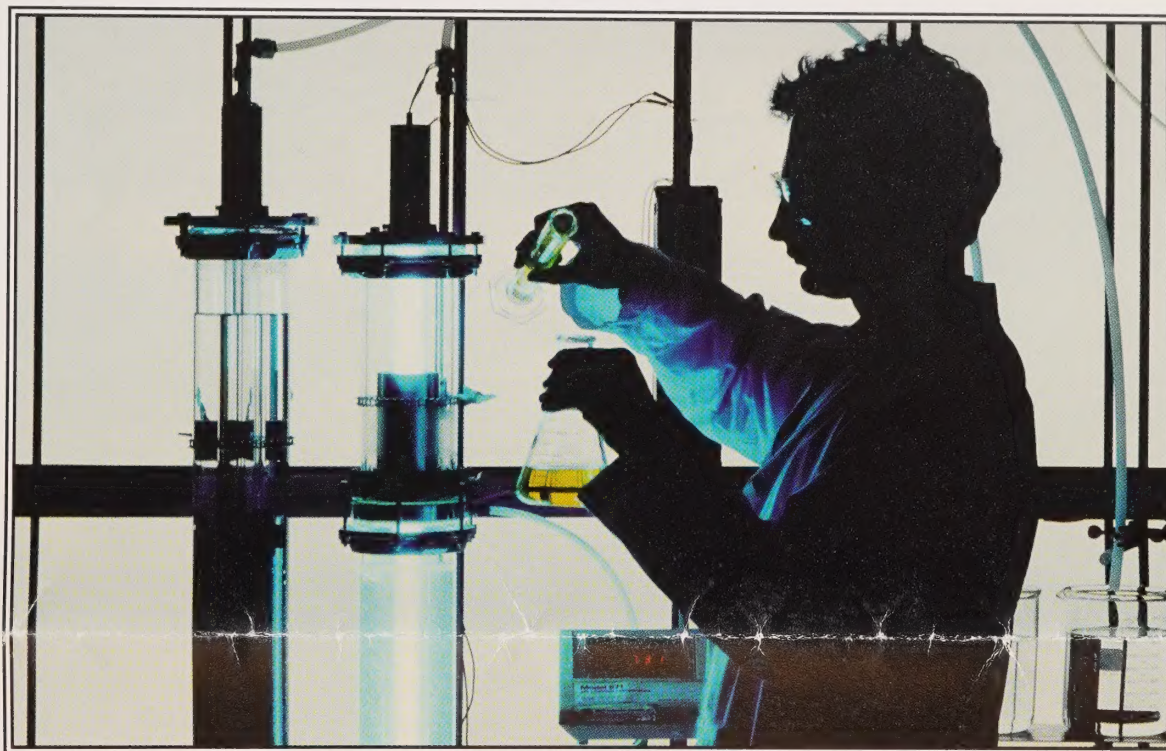
Developed by both the public and private sectors, Canadian services concentrate on industrial and municipal waste water treatment; site clean-up; air emission control; solid waste management; industrial health and safety; and remote sensing for agricultural, forestry and fisheries management.

Canadian-based Geomatics International is an example of Canadian expertise. This company is helping to clean and reclaim the land at the Wismut uranium mines in the reunited Germany.

The company's data banks, software development, geographic information systems, remote sensing, hydrogeology and other environmental services are well known in engineering circles and are in frequent demand. Geomatics' track record demonstrates that Canadian industry excels in the field of environmental technology.

Canadian technology fits well with Canada's international political and economic objectives, including our commitment to sustainable development. All nations must ensure that economic growth is accompanied by environmental responsibility.

We need environmentally sound technologies to supply the products and services for higher standards of living worldwide. Canada is a pioneer in the development of these technologies. 🍁★



SCIENTIFIC SOLUTIONS TO MAN-MADE PROBLEMS.

CANADIAN EXPERTISE AT WORK IN DEVELOPING TECHNOLOGY TO TREAT TOXIC WASTEWATERS. ZENON ENVIRONMENTAL INC. OF BURLINGTON, ONTARIO HAS GAINED INTERNATIONAL RECOGNITION FOR THEIR INNOVATIONS IN THIS FIELD.

INVESTING IN Canada

Canada is an attractive place in which to invest. It offers access to a stable business environment, a world-class transportation and communications network, access to the U.S. market, a skilled workforce and superior technology. Research and development (R & D) tax credits are flexible and generous with, on average, each dollar spent toward R & D in Canada costing only \$0.44, the best treatment of R & D in the G-7. Combine that with the G-7's lowest corporate federal tax rate, and it's easy to see why so many individuals, corporations and governments have chosen to invest in Canada.

Canada's major sources of foreign direct investment are the United States, the United Kingdom, Japan, and Germany. The European share of direct foreign investment accounted for 23 per cent of Canada's total stock of \$145.9 billion in 1993. By 1993 Canadians invested a cumulative total of \$23 billion in Europe. 🍁★

The Canada-European Union Science and Technology Agreement

Partners in Research and Development

The Canada-EU Agreement on Co-operation in Science and Technology, which is expected to be adopted by the end of 1994, encourages closer co-operation between Canadian and European research and development (R&D) teams.

It permits Canadian companies, universities and government research institutes to join with European organizations in projects under the European Commission's framework R&D program.

Similarly, Europeans can link with Canadian firms and institutions in Canadian government projects.

The areas covered by the Agreement are: agriculture (including fisheries), energy (non-nuclear), environment (including earth observation), forestry, information technologies, medical and health research, mineral processing, communication technologies and, telematics for economic and social development.

The adoption of the Agreement will allow Canada and the EU to take full advantage of each other's expertise in these areas and the economic benefits that result from our partnership in research and development. 🍁★



The EU-Canada Trade Relationship

The commercial and economic significance of Western Europe for Canada cannot be overstated. With 360 million consumers and a GNP of more than US\$21 000 per head, Western Europe is a large and wealthy export market.

Trade between Western Europe and Canada in 1993 was over \$32 billion, accounting for 10 per cent of Canada's exports and 12 per cent of its imports. A growing proportion of this trade was in manufactured goods, especially high value-added or end products (such as industrial machinery, transportation and telecommunications equipment). Currently 75 per cent of Canadian exports to the European Union are manufactured goods; 42 per cent of which are high-value end products. As a share of Canada's total exports to the EU, end products have risen from 22 per cent in 1989 to 32 per cent in 1993.

Western Europe is Canada's second-largest source of foreign direct investment and is a key source of new technology through strategic alliances and other forms of industrial co-operation between small and medium-sized enterprises on both sides of the Atlantic. A growing number of these types of Canadian enterprises are establishing a presence in Western Europe and it is no surprise that Canadian direct investment in Western Europe has also increased by 73 per cent since 1988 to a total of \$23 billion in 1993. 🍁🌟

THE GRAPHS SHOW THAT WHILE CANADIAN EXPORTS TO EUROPE HAVE REMAINED AT HEALTHY LEVELS FOR THE PAST SIX YEARS, THERE HAS BEEN A SIGNIFICANT INCREASE IN CANADA'S EXPORTS IN FINISHED PRODUCTS. TRADE BETWEEN EUROPE AND CANADA CONTINUES TO GROW IN THESE HIGH-VALUE AREAS, AS CANADIANS AND EUROPEANS BENEFIT FROM EACH OTHER'S TECHNOLOGY AND EXPERTISE.



A Reliable Supplier Canada and the European Atomic Energy Community

Canada is an important supplier of uranium to European nuclear power plants. Purchases from Canada help the European Atomic Energy Community (EURATOM) fulfil its policy of maintaining diverse and reliable sources of supply.

Uranium trade between Canada and Europe has been governed since November 1959 by the Nuclear Co-operation Agreement. The Agreement allows for co-operation in the peaceful uses of atomic energy and the transfer of nuclear material and equipment between EURATOM countries and Canada. 🍁🌟

BOMBARDIER INC. IS BUILDING ON ADVANCED TECHNOLOGY

Bombardier Inc. is a Canadian corporation recognized as a leading world manufacturer of rail transit equipment. Its latest technological achievement was its contribution to the project of the century: the Eurotunnel. The company produced 254 tourist shuttle-train cars unique in the world, both in their unusual dimensions and in the unconventional systems and equipment incorporated into them to meet stringent constraints of weight, performance and safety. They were built by ESC Wagons, a consortium made up of Bombardier Inc. and its subsidiary Bombardier Eurorail S.A.

COREL CORPORATION, A WORLD LEADER IN COMPUTER GRAPHICS

Corel Systems Corporation is one of Canada's leading application software producers with its Corel Draw software. The company is a world leader in computer graphics. Corel's systems combine powerful personal computing capabilities with laser-printing technology and sophisticated publishing software for the office publishing market. The company's prime target markets are governments, accounting and insurance companies, as well as legal and financial institutions. Next to the United States, Germany is Corel's largest market. Corel is also the leading supplier of computer graphics software in the United Kingdom.

BELL-NORTHERN RESEARCH

Bell-Northern Research Ltd. (BNR) is a world leader in the global telecommunications market. Its labs in the United Kingdom employ 1500 people and work in partnership with other European labs and research companies on research and development projects throughout Europe. BNR's U.K. lab will shortly become a worldwide centre for its research into cable TV technologies, building on the substantial progress already made in the U.K. in the marriage of cable TV and telephone services. 🍁🌟

CARRYING OUT THE SHUTTLE-TRAIN CAR ORDER WAS MADE POSSIBLE BY THE JOINT EFFORTS OF THE MANUFACTURING RESOURCES OF BOMBARDIER'S TRANSPORTATION EQUIPMENT GROUP – NORTH AMERICA AND SUBSIDIARY EURORAIL, AND HAS CALLED UPON EMPLOYEE EXPERTISE AT THREE OF THE CORPORATION'S PLANTS, LOCATED AT LA POCATIÈRE (QUEBEC, CANADA), BRUGES (BELGIUM) AND CRESPIN (FRANCE).

